

but if we are going to get serious about this problem we have to do some very different kinds of things. I don't think it is too much to say that a fine up to \$10,000 and up to a year in prison is too much for people who are smuggling cigarettes and selling them to teenagers, if we are really serious about this problem.

We would suspend Federal student loan eligibility for teenagers who use drugs or purchase cigarettes. The penalty for drug convictions would be a year's suspension of eligibility for Federal student loans, and a second offense would be a permanent loss of eligibility for student loans. For teen cigarette purchase, it would be a warning the first time around, a 6-months suspension of eligibility for the second offense, and a year's suspension for the third offense. So there would be important penalties attached to all of these.

We would establish a Teenage Health Security block grant program to the States. The distribution of the funds is linked to State adoption of sanctions for teenage tobacco use. The States themselves need to do more to enforce their already existing laws against youth smoking.

We would adopt the McCain requirement that warning statements on cigarette packages take up not less than 25 percent of the upper space on the pack on the front and back of each package. Importantly, as I said before, vending machine sale of cigarettes would be restricted to areas that are not accessible to children or teenagers.

The payment that would be called for here, we think, should be capped at a per-pack amount that is estimated to be below the trigger point of significantly increased black market activity. After financing the tax reductions—in other words, the self-employed health insurance deduction that we talked about earlier—all of the remaining amounts would be deposited in a new National Teenage Health Security Trust Fund. We think the total amount of the tax that would be required in this case would be on the order of 75 cents per pack.

We think that full deductibility of health insurance and smoking cessation programs is called for, and therefore under this legislation we would provide for an accelerated phase-in of a 100-percent deductibility of health care insurance for the self-employed, to be effective January 1, 1999. We would allow all workers not covered by an employer-provided insurance to deduct fully the cost of health insurance. This is the Roth proposal on the above-the-line deduction, so to speak.

In addition, low-income working taxpayers who are eligible for the earned-income tax credit could take advantage of the health insurance deduction. Specifically, the cost of health insurance premiums would be excluded from their modified adjusted gross income for purposes of the earned-income tax credit. This would not apply to an individual covered by employer-provided

health insurance or by Medicaid. The cost of an FDA-approved smoking cessation program would be deductible and treated as an above-the-line deduction as well.

I mentioned the National Teenage Health Security Trust Fund in this proposal. It would finance all the programs and initiatives which are created by the legislation. The Department of the Treasury would establish an accounting mechanism necessary to ensure that the trust fund deposits and outlays are credited properly, and all expenditures from the fund would be outside the spending caps, but all would have to be appropriated on an annual basis. There would be no new entitlement or mandatory spending programs.

No distributions or expenditures from the fund would be permitted for any purpose other than a specific authorization provided in the Teenage Health Preservation Act. Any moneys remaining in the Trust Fund after the annual appropriations process has concluded would be transferred to Medicare.

I mention the increased funds for the National Institutes of Health. This legislation would earmark an additional \$5 billion over the next 5 years from the trust fund to the NIH in addition to—in addition to—the \$15.5 billion increases over 5 years already provided in our budget resolution of this year.

With regard to the State settlements with tobacco companies, we would guarantee the right of tobacco companies and the individual States to enter into legally binding—within the border of each State—settlement agreements, including limiting liability if that is what the States negotiated.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KYL. Mr. President, I ask unanimous consent for 3 additional minutes to conclude my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. Thank you. I will conclude with this brief description.

The windfall profits tax on lawyers' fees that I mentioned earlier would provide, for States where there have been tobacco settlements reached, lawyer fees above \$1,000 per hour but below \$1,500 an hour would be subject to a surtax of 20 percent, and fees in excess of \$1,500 an hour would be subject to a surtax of 40 percent.

Bear in mind the level of fees I am talking about. While a good lawyer today might charge up to \$200, \$250 an hour—you know, the really superstars, maybe even \$300 or \$400 an hour—we are talking about \$1,500 an hour here before this would kick in. But, amazingly, there are some lawyers who are getting far more than that in these tobacco settlements.

There are some other provisions in here, but I will not go into the details in the interests of time. Also pending before us right now is the Coverdell-Craig-Abraham Drug Free Neighbor-

hoods Act. I also strongly support that legislation. That legislation has been adequately described by Senator COVERDELL a little bit earlier this afternoon. It has the drug-free teen drivers provision, the drug-free schools provision, which is very important. It emphasizes drug-free workplaces. I think it is very important for us to recognize that we are not going to be able to have drug-free workplaces if it is possible for people in this country to use drugs legally. Finally, there are key provisions for drug-free communities support.

I might just note, too, a couple of the very specific provisions of the bill that I particularly like. It bans free needles for drug addicts and has a very important money laundering provision and a registration of convicted drug dealers.

These are some important things that we can be doing to enhance the tobacco legislation before us to apply to the drug problem that also faces our youth today.

We can't let this opportunity slip to address the national drug problem at the same time that we are addressing the important tobacco issue. Underage smoking is a serious problem, but smoking doesn't result in the crimes against the person and property that illegal drug use does. We have to focus at least as much attention on the problem of illegal drug use as on the problem of underage smoking. It is important to remember, Mr. President, that underage smoking represents only 2 percent of all smoking occurring in the United States. Teenage drug addiction is a critical and growing problem within this country.

Thank you, Mr. President.

Mr. ROCKEFELLER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, will the Senator from West Virginia be speaking in morning business?

The PRESIDING OFFICER. The Senate is in a period of morning business with speakers allowed to speak up to 10 minutes.

Mr. ROCKEFELLER. I thank the Presiding Officer.

VETERANS AND HIGHWAY TECHNICAL CORRECTIONS BILL

Mr. ROCKEFELLER. Mr. President, I will address two subjects, primarily veterans and the highway technical corrections bill. But in this morning's Congressional Daily, the majority leader, when referring to the question of the matter of the treatment of disabled veterans who have been addicted to smoking and have become disabled because of that, said, "Where was ROCKEFELLER when we passed this bill?" And that is a quote.

The majority leader has publicly questioned my record on the issue of veterans' smoking-related disability rights, and I really thought I had a duty to set the record straight.

The Clinton administration has met with me on several occasions on the veterans smoking issue. I told the Director of OMB and I told the Secretary of Veterans' Affairs at least a year ago that I would vigorously oppose their proposal to deny veterans' disability rights. I have maintained that exact position all along.

When the Senate considered this year's Republican budget resolution in March, I offered an amendment to strike the budget language which would have transferred the smoking disability rights issue to the Transportation Appropriations Subcommittee and assumed denial of smoking-related disability rights—assumed denial of those rights. My amendment was defeated, frankly, fairly much along party lines.

When the ISTEA bill was brought to the floor by the committee, there were no provisions at all in that highway bill which would have denied veterans disability rights. I support, therefore, highways and I supported the ISTEA bill. I voted for it.

But in the course of the highway bill conference, language was inserted to deny smoking-related disability rights in the deep of the night, with no consultation—nothing. Of course, as we know now, even this midnight raid was not done correctly and requires major corrections, and I refer to the highway technical corrections bill. Since the conference report was not amendable, there was nothing that I could do about that. There was no opportunity to reverse at that point the injustice that was being done. I could not offer an amendment. It was called a conference report.

The corrections bill on TEA 21 provides for the first time, therefore, the opportunity to fully protect highways and veterans. We no longer need to make a choice of one over the other. Highways will remain fully authorized. They will not lose a dime. Veterans' disability rights will be preserved.

The Republican leader asked where was ROCKEFELLER? I am pleased to respond that I have been busy protecting the rights of disabled American veterans. That is where I have been.

Further, Mr. President, I rise to urge the Republican leader to bring up H.R. 3978, the highway corrections bill, for immediate floor consideration in the Senate. Our failure to have this corrections bill considered immediately will have a devastating impact on veterans' disability rights.

As I indicated yesterday to my colleagues, when H.R. 3978 is considered, I plan to offer an amendment—and nothing will stop me from offering an amendment if that bill comes up, and I will object to other bills coming up in order to force that bill to come up if I am able to so exercise my due parliamentary rights—I plan to offer an amendment to strike the veterans' disability compensation offset from the underlying conference report on H.R. 2400. I have asked for a very limited

time agreement of 30 minutes equally divided—15 minutes for each side does not seem to me unreasonable—and then a vote.

As the Presiding Officer is very well aware, adoption of my amendment will have the effect of preserving current law; that is, it will preserve existing disability rights for veterans, the status quo. It will simply preserve what already exists—nothing new—what already exists, and will fully preserve each and every highway project that was included in the ISTEA bill. That is such an important point to make.

Some people think we are talking about removing billions of dollars from highways. We are not. Not one dime will be lost to highways. All of that money is going to have to be appropriated by the Appropriations Committee in any event. Let me repeat that: Every highway project in ISTEA, now TEA 21, will remain fully authorized after my amendment is adopted, if adopted. They will be in law, so to speak.

The highways will be in law. If the leadership permits the TEA bill to stand as is by failing to raise the corrections bill, veterans' disability rights will be eliminated and the current law will be changed. Smoking will be considered an act of "willful misconduct" in the military, and we will be cutting smoking-related disability benefits for veterans who became ill on active duty and those who became ill due to exposure to Agent Orange and those who became ill due to exposure to ionizing radiation. This goes far beyond the intended scope of even the conferees, I have confidence in that.

Mr. President, roads and bridges are, obviously, very important to the State of West Virginia, which is only 4 percent flat. I support highways. I support highway funding. Not a single project in West Virginia or in any other State—I repeat and repeat again—will be affected in any way by the amendment which I will put forward if given a chance.

This amendment is a proveteran amendment. It is simply whether we are going to deny disabled American veterans the rights they now have under the law. There has been a great injustice done to America's veterans, and this corrections bill is an opportunity to remedy that injustice.

Existing law requires the payment of disability compensation to veterans who can prove in a very complicated process that they became addicted to tobacco while in military service, if that addiction continued without interruption and resulted in an illness and in a disability. Addiction is the illness; addiction is the issue. The conference report on the highway bill rescinded—that is, cut—this compensation to disabled veterans for tobacco-related illnesses resulting from nicotine addiction that began in service.

This cut in veterans' disability compensation generated \$17 billion in what only can be called the most extraor-

dinary paper savings that I have come across in my 13 years in the Senate, and these paper savings were literally stolen from veterans and used to partially fund an unprecedented increase in the ISTEA fund.

Of course, anyone familiar with these claims for compensation for tobacco-related illnesses, and there will be few who are, knows that OMB's cost estimate is just a guess. They just guessed, and they sort of guessed in a way that they could pay for a lot of the other President's program ideas. I didn't appreciate that, but that is the game they decided they were going to play, and so that is what they did. They tried to talk me out of my objections to it, and they could not. That is my administration, not the Presiding Officer's. The so-called savings we are spending on highways are just that, they are paper savings.

Since 1993, the Veterans' Administration has only received less than 8,000 claims—the Presiding Officer will be interested in this; since 1993, there have been only 8,000 claims for these tobacco-related disability illnesses—and has granted only 200 to 300—200 to 300. So 27 million veterans and only 200 to 300 disability claims for smoking-related illnesses granted by the Veterans' Administration.

In arriving at its \$17 billion estimate, the administration, for some unexplained reason, estimated that 500,000 veterans would apply for tobacco-related claims every year, Mr. President. It is absurd; it is ridiculous. It is a shell game. It was intended to pay for some of their other programs. And in the process, they wanted to cut off disability claims for veterans who are owed them. It is make-believe.

The amendment that I offer would maintain current law as is by reversing the highway bill's raid on veterans.

My amendment strikes no highway project. My amendment merely preserves VA's disability compensation for tobacco-related conditions as is.

I am sure we will hear a good deal of doomsday projections about the effect of this amendment. Again, here are the facts. The amendment does not otherwise affect the highway bill or the projects that it authorized. They remain the same. They are unaffected. My amendment will not bring down the highway bill, will not create a sequester. I can read you law on that. But I will spare the Presiding Officer that. But those who say that, "Oh, this will cause a sequester and a cut in Medicare, Social Security," the Presiding Officer and others will hear that argument—that argument is wrong. That argument is wrong. Those are the contentions of those who would deny disability benefits to veterans.

When we argued this issue 2 months ago, when my amendment to the budget resolution was debated, I warned my colleagues that veterans would be justifiably outraged by this raid on their disability compensation program, and they are.

America's veterans perceive that Congress has turned its back on the Government's responsibility and promise to care for its veterans and on the role it played in fostering their addiction to tobacco—that is well known to the Presiding Officer and all other Members—distribution of free cigarettes in C-rations and K-rations; reduced prices; and they delayed the warning that appeared on tobacco in the military cigarettes until 5 years after it had been done at the civilian level.

Mr. President, we have spent weeks talking about addiction to tobacco and how powerful that addiction is and how that addiction has been fostered. Why is it when it comes to the issue of veterans and tobacco, it is viewed solely as a matter of personal choice? Why is it that this administration and this Congress believe that veterans should have had greater knowledge about tobacco's addictive properties when they began smoking than the general public did?

Veterans believe in doing their share and carrying their weight. They always have; they always will. But the Congress is not asking for cuts in all accounts this year, oh, no. In fact, we are not even demanding that others, such as Social Security disability recipients, lose smoking-related compensation. Again, only veterans are singled out for this treatment.

There has been a lot of talk about veterans and smoking in the last few months. So I want to make sure that my colleagues are not confused. The amendment that was adopted on Tuesday to direct a portion of the proceeds from the tobacco bill to VA health care in the tobacco bill, by voice vote, is only for health care. The tobacco-related amendment does not deal with disability benefits, compensation; only with health care, not compensation, benefits for tobacco-related illnesses. That is a major point.

Those of my colleagues who will seek refuge in the tobacco legislation need to reconsider. And, in fact, in some sadness I am not even sure there will be tobacco legislation. I hope otherwise. But one cannot be confident at this point.

In any event, some will say—and I close on this point—that the corrections bill puts in \$1.6 billion for other veterans programs. And indeed it does. But our friends in the veterans community speak with one voice on this issue. And I agree. They cannot support the increase in benefits to one set of veterans to be paid by the cutting of important benefits to another set of veterans.

Veterans across this Nation reject this attempt to buy them off. That is why I urge support of my amendment. It is a simple choice. Again, the choice is not highways versus veterans. Highways are fully protected. Veterans are not. Please choose veterans.

I thank the Presiding Officer and I yield the floor.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. DEWINE. Mr. President, I ask unanimous consent to proceed in morning business for the next 25 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOBACCO LEGISLATION AND THE COVERDELL-CRAIG AMENDMENT

Mr. DEWINE. Mr. President, I rise this afternoon to support the Coverdell-Craig amendment. As the Chair knows, and Members know, the Coverdell-Craig amendment was offered yesterday to the underlying McCain tobacco bill. I congratulate my colleague from Georgia and my colleague from Idaho for this very worthwhile amendment.

Let me first, though, begin by saying, again, what I have said numerous times on the Senate floor in the last few weeks, and that is I support the underlying McCain bill.

It represents a unique and critical opportunity to change attitudes and to save young lives from the debilitating effects of smoking. All of us know, Mr. President, all too well, that youth smoking is a component of an even larger and more dangerous reality, the tragedy of youth drug use.

If we had to talk about the health problems in this country today, particularly if we want to talk about the preventable health problems in this country, we would talk about illicit drug use, we would talk about smoking, and we would talk about abuse of alcohol. Those three are clearly the three biggest, the things that will ultimately kill tens of thousands of Americans. They prey on our young.

So I think it makes sense, as we struggle in this Senate to come up with a comprehensive bill that deals with our tobacco problem in this country, that we also use this as an opportunity to deal with another problem, and certainly a related problem, and that is the use of illicit drugs. So I congratulate my friends and colleagues from Georgia and Idaho, Senator COVERDELL, Senator CRAIG, for this very good amendment.

I think we need to use this unique opportunity to address youth smoking. But we also need to take it one step further and address youth drug use. Doing so would make this even more effective, this current bill, the MCCAIN bill, even more effective in changing the young lives for the better.

Mr. President, drug trafficking remains a tragic reality of life in this country today. Let me share some facts with my colleagues.

Fact: Recent reports suggest that heroin trafficking from Mexico has dramatically increased.

Fact No. 2: The Caribbean is fast becoming once again a major illegal drug transit route.

Fact: While drug production and trafficking have been on the rise, our re-

sources we, as a country, have dedicated for drug interdiction have dramatically declined.

In 1987, approximately 27 percent of the entire national drug control budget was dedicated to interdiction. During that period of time, the United States did, in fact, make a dent in the trafficking of narcotics. Cocaine seizures, for example, were significantly up.

However, Mr. President, starting in the early 1990s, the percentage of drug control funds devoted to interdiction has declined dramatically. In fact, by 1995, only 10 percent of the national drug budget was dedicated to interdiction—a very significant drop. By 1998, the percentage still remained at 10 percent. Looking at it another way, in 1992, over \$2 billion was dedicated to interdiction purposes. But by 1995, only \$1.2 billion was set aside for this specific matter.

Mr. President, let me be very clear. I strongly support—strongly support—increased funding to deal with the demand side of the drug situation that is finding ways to persuade Americans, particularly young Americans, that doing drugs is wrong, that it destroys lives, and destroys families, schools, and communities.

In a sense, Mr. President, we could argue that in the end reducing demand is the only real effective way to ultimately overcome the threat of drugs in this country today. As long as there is a demand for drugs, there will always be a supply. That is why education as well as drug treatment remains central long-term goals.

The amendment offered by the Senator from Georgia and the Senator from Idaho recognizes the need to invest in demand-reduction efforts, as well as the need to invest in interdiction efforts. However, reducing the demand for drugs is not going to be achieved overnight. It will take years, if not generations, to change minds and attitudes regarding the use or abuse of drugs.

I believe one way to reduce demand is to have an effective interdiction policy, one that will put a serious dent into the flow of drugs into this country. We must find ways to raise the cost of narcotics trafficking, making it far more difficult for drug lords to bring these drugs to our Nation and making the cost of drugs on the streets—whether that be the streets of New York, Los Angeles or Cleveland—making the cost of those drugs go up. Just like the underlying bill, we can impact demand by raising the street value of drugs, and we can do that by going after the supply routes.

There is an inverse relationship between the cost and consumption. I believe that is true with drugs. I believe that is also true with cigarettes. That is the basic principle of the McCain bill. I think it is logical to extend that principle, as my colleagues have done, Senator COVERDELL and Senator CRAIG, in this amendment.

As I mentioned, I do want to make it very, very clear: Drug interdiction,